### 2013 Property Tax Reform & other Topics

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County Assessor Fall ISAC November 14, 2013



# Some day everything will all make perfect sense.





## 2013 Property Reform & Other Topics

- Business Property Tax Credit
  - BPTC Process, File Preparation
  - Testing & File Upload
  - Maintenance of credits
  - Rules
- Multi-residential classification
  - Rules
  - Protests of value
  - Equalization process
- Ag Adjustments
  - CSR2
  - Iowa Access Funding



### **BPTC File Preparation Steps**

- File Extract from Auditors File
  - Base File
  - Step 1 sort by owner name
  - Step 2 hide columns don't need
    - 2\_2
  - Step 3 add application date column & aggregation indicator column
  - Step 4 query CAMA for primarily used for human habitation as much as possible
  - Step 5 sort CAMA query identify apartments and others that do not qualify
  - Step 6 remove aggregation indicators in your spreadsheet for those that do not qualify NULL field in your spreadsheet



### **BPTC File Preparation Steps**

- File Extract from Auditors File
  - Step 7 Identify what is not a unit
    - Example different classification
    - Example of name ownership research
    - Example of not contiguous
    - Example of railroad parcels classed industrial
    - Example of railroad parcels classed as operating railroad
  - Step 8 Date applications are received
  - Step 9 Transferring information to BPTC file for upload
  - Step 10 File Upload





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#### Welcome s chambers

This site allows you to exchange data with the Iowa Department of Revenue.

#### **Upload a Unit ID Generator File**

The Unit ID generator file is a CSV file with 6 columns and is used to generate Business Property Tax Credit Application Unit Numbers. To upload a file, click the Upload Unit Number Generator File button below.

· Files must be in CSV or ZIP format.

□ Upload Unit Number Generator File

Review Instructions





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#### Upload A Business Property Tax Credit Application Unit Number Generator File

The The Business Property Tax Credit Application Unit Number Generator file is used to assign a Business Property Tax Credit Unit Number for each record sent. After uploading a file it will be processed and a notification will be sent when it is ready for pickup or review.

To upload a Business Property Tax Credit Application Unit Number Generator file, click "Select Files" below.

□ Select Files

? Unit Number Generator Instructions

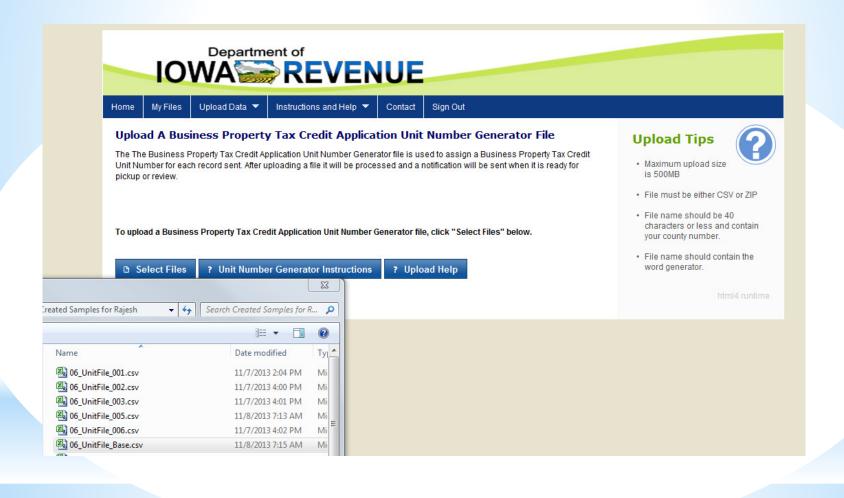
? Upload Help

#### **Upload Tips**



- Maximum upload size is 500MB
- · File must be either CSV or ZIP
- File name should be 40 characters or less and contain your county number.
- File name should contain the word generator.

html4 runtime





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#### Upload A Business Property Tax Credit Application Unit Number Generator File

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You have selected the file 06\_UnitFile\_Base.csv (N/A)



Great! Now that you've selected a file, click "Upload Selected Files" to upload it.

□ Select Files

→ Upload Selected Files

? Unit Number Generator Instructions

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html4 runtime



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#### **Your Files**

Welcome's chambers, all of the files you have uploaded are displayed below. Files must be in completed status before Unit Ids will be generated. Emails will be sent when status of files change, but email as a whole does not guraneteed delivery so be sure to check back on the statuses of your files if you are expecting a status change.

File	Size	Uploaded	Status
06 UnitFile Base.csv	57KB	11/8/2013 9:29 AM	Complete 🕝
06 UnitFile 001.csv	298B	11/8/2013 9:30 AM	Needs Review
06 UnitFile 002.csv	1KB	11/8/2013 9:30 AM	Needs Review
06 UnitFile 003.csv	12KB	11/8/2013 9:30 AM	Needs Review
06 UnitFile 005.csv	1278B	11/8/2013 9:30 AM	Needs Review
06 UnitFile 006.csv	748B	11/8/2013 9:30 AM	Needs Review 8



Homo

My Files

Upload Data 🔻

Instructions and Help 🔻

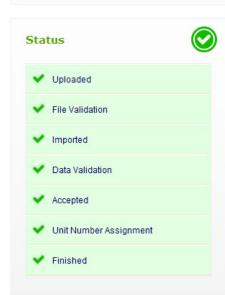
Contact

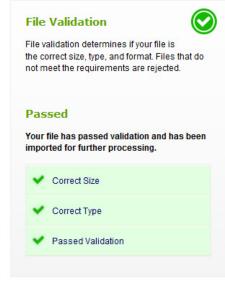
Sign Out

#### File Processing is Complete



**Download Business Property Tax Generated Credit Unit Numbers** 





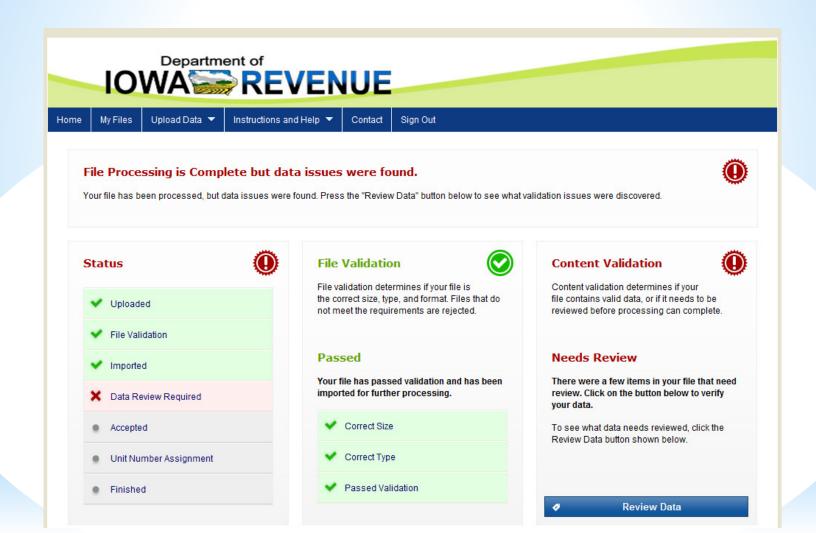
#### **Content Validation**

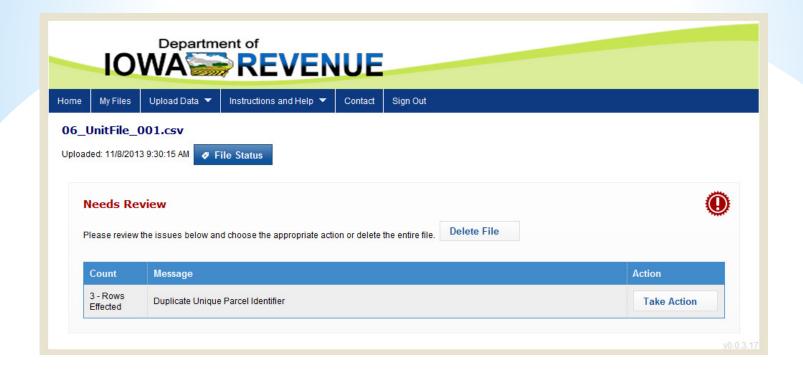


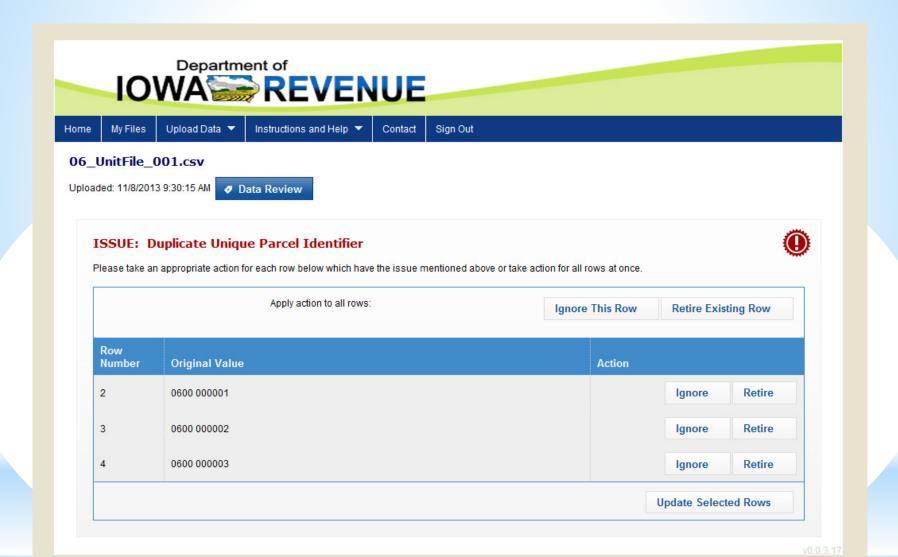
Content validation determines if your file contains valid data, or if it needs to be reviewed before processing can complete.

#### File Passed

Your file has been validated and will be assigned unit numbers 2 business days after the validation date. If you need to delete this file and start over you can until the unit numbers are assigned.







### Testing Timeframe

- All the preliminary work needs to be completed
- Test with as much real data as possible
  - Unique parcel ID #
  - Aggregation Indicators
- Timing
  - Week of November 18<sup>th</sup> 24 testers
  - Week of December 2<sup>nd</sup> all 99 counties coordinated by district
  - All test data cleared December 16<sup>th</sup>
- Live BPTC Unit Generator ID website

# Life is not about how fast you run, or how high you climb, but how well you bounce.



## Grant me patience, but please hurry.



## 426C Business Property Tax Credit

#### Who can apply and when?

- 2013 Assessment 1<sup>st</sup> year
  - -January 15, 2014 applications due
  - Initial application a *Person* may apply

#### Re-application

- Requires buyer or seller to reapply if a portion of the property comprising a unit was retained
- March 15<sup>th</sup> deadline after the first year, applications apply to prior year assessment



## 426C Business Property Tax Credit

#### Who can apply and when?

Sale prior to deadline requires reapplication

•Sale after deadline, application remains in effect for that fiscal year and reapplication applies to next fiscal year



#### Who Qualifies for the credit?

- Property classed as commercial, industrial or railroad (434)
  - Vacant land, buildings on leased land,
- Excludes:
  - Section 42 housing
  - Mobile home parks
  - Manufactured home communities
  - Land-leased community
  - Assisted living facilities
  - Anything Defined in new 441.21, Subsection 13: property
     <u>primarily</u> used or intended for human habitation containing
     three or more separate dwelling units.



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     <u>primarily</u> used or intended for human habitation containing
     three or more separate dwelling units.
  - All centrally assessed property (except railroad)



#### What is a Unit?

- Within the same county
- Same classification
- Same ownership
- Separate item on tax list
- Operated by that "person" for common use and purpose
- Contiguous parcels:
  - share common boundary
  - within same building or structure, regardless of boundary
  - BLL's are contiguous as long as the land upon which they sit is contiguous regardless of the land ownership



- What is a "Person"?
- lowa Code 4.1
  - Individual
  - Corporation
  - Limited liability company
  - Government
  - Governmental subdivision or agency
  - Business trust
  - Estate
  - Trust
  - Partnership or association
  - Or any other legal entity



What is Common Use and Purpose?

 "Operated by that person for a common use and purpose"

Owner occupied

Leased



## 441.21 Subdivision 13 Multi-Residential Classification

#### **Beginning 2015 Assessment:**

- Includes:
  - mobile home parks
  - manufactured home communities
  - land-leased communities
  - assisted living facilities
  - property primarily used or intended for human habitation containing three or more separate dwelling units
- Portions of properties less than three units used or intended to be used for human habitation (and a portion of the land) regardless of the number of units and that is not otherwise classed residential



## 441.21 Subdivision 13 Multi-Residential Classification

#### **Beginning 2015 Assessment New Class**

- Excludes:
  - Section 42 housing
  - Hotels
  - Motels
  - Inns
  - Other buildings where rooms or dwelling units are typically rented for less than one month



### 441.21 Subsection 13 Multi-Residential

- Classification is based on use
  - Vacant land used in conjunction with another parcel or property should be classed the same
  - That portion of a parcel with one or two dwelling units used for human habitation if on the same parcel with commercial/industrial valuation is classed as multi-residential
  - Multi-residential is to be <u>used or intended</u> to be used for human habitation if there is also commercial or industrial use
  - Dwelling units:
    - Apartment
    - Group of rooms
    - Single room
    - Occupied as separate living quarters or
    - if vacant, is intended for occupancy as a separate living quarters
    - Where a tenant can live and sleep separately
    - Assumes functioning utilities (water, sewer, electricity and heat)



### 441.21 Subsection 13 Multi-Residential

#### How will this be handled?

- For 2015 Software will have to accommodate <u>two classes</u> on a single parcel
  - 441.21 Subsection 13c
  - Commercial and multi-residential on the same parcel
  - Industrial and multi-residential on the same parcel
- Rules
  - Protests of Value
  - Equalization process



# You were spotted dancing the other night... don't give up the day job.



### **Agricultural Adjustments**

- CSR2 discussion
  - NRCS soil survey
  - Web soil survey available January 2014
- 2014 Full Implementation
  - Use current soil survey or ISU CSR2 soil survey
- 2017 Implementation of CSR2 Official NRCS soil survey required



### **Agricultural Adjustments**

- Iowa Access Funding
- Approval granted
  - Apply to IDR (application being developed)
  - Needs based
    - # of staff
    - # agricultural acres
    - Consolidated assessor levy rate
    - +/-\$300,000 funded



For those jurisdictions with staffing at a level of less than 4 Full Time Equivalents and greater than 10,000 Agricultural Acres per Full Time Equivalent or

Jurisdictions with greater than 3 Full Time Equivalents and are at their maximum statutory assessor levy rate of .675\$ per one thousand dollars of assessed value.

Assessor Levy Rate per \$1,000 of Valuation	Amount of Assistance for generation of a Land Use Layer (Assumes maximum charge to county of \$27,000)
>.675	Maximum 50% cost share by State
.67460	40% cost share by State
.5950	30% cost share by State
.4940	20% cost share by State
.3930	10% cost share by State
<=.30	No Assistance

## 2013 Property Reform & Other Topics

#### Business Property Tax Credit

- Steps to take in preparing files for the credit qualification
- How to finalize aggregation indicators
- Screen shots of website for file upload
- Rules November 19<sup>th</sup> for review

#### Multi-residential classification

- Review of what qualifies
- Rules & Protests of value not completed yet
- Equalization process not completed yet

#### Ag Adjustments

- CSR2 required for 2017
- lowa Access Funding +/-\$300.000



# Don't find fault find a remedy





### Questions?

### PropertyTax@iowa.gov

515-281-4040

